



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

December 22, 2009

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

1-H DECEMBER 22, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE AN ENGINEERING AND ENERGY EFFICIENCY CONSULTANT
CONTRACT WITH FACILITY STRATEGIES GROUP FOR THE NUEVA MARAVILLA
HOUSING DEVELOPMENT IN UNINCORPORATED EAST LOS ANGELES
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends the approval of an engineering and energy efficiency consultant contract with Facility Strategies Group to provide consulting services which include energy and sustainability planning, engineering, financial analysis, project management and development for the Nueva Maravilla housing development located at 4919 Cesar E. Chavez Avenue in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of a contract for an engineering and energy efficiency consultant is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.
2. Award and authorize the Executive Director to execute and if necessary terminate a two-year contract in the amount of \$300,000 with Facility Strategies Group to provide engineering and energy efficiency consulting services for the Nueva Maravilla housing development, following approval as to form by County Counsel, and using a total of \$300,000 in Capital Fund Recovery Competition



(CFRC) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.

3. Authorize the Executive Director to approve contract amendments to increase the compensation amount by up to \$30,000 for unforeseen project costs using the same source of funds, to extend the term as necessary without further increasing the contract sum, and to address other unforeseen issues, following approval as to form by County Counsel.
4. Authorize the Executive Director to incorporate up to \$165,000 in CFRC funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the first year of services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a contract for engineering and energy efficiency consulting services which include energy and sustainability planning, engineering, project management and development, financial analysis, and other associated work at the Nueva Maravilla housing development.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority will fund this two-year Contract with \$300,000 in CFRC funds allocated by HUD. A ten percent contingency, in the amount of \$30,000, is also being set aside for unforeseen costs, using the same source of funds. A total of up to \$165,000 will be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget. Funds for Fiscal Year 2010-11 will be requested through the Housing Authority's annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed contract will provide engineering and energy efficiency consulting at the Nueva Maravilla housing development. The services will make the site more energy efficient and will provide future cost savings to the Housing Authority. The Consultant will primarily provide energy efficiency analysis and new design specifications for lighting, appliances, water, solar photovoltaics, solar thermal hot water, and xeriscaping. The Consultant will take a primary engineering and project development role in all energy, renewable, and sustainability retrofits, and a consulting engineering role in the electrical metering and irrigation system.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Facility Strategies Group will comply with Section 3 of the Housing and

Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The attached contract has been approved as to form by County Counsel and executed by Facility Strategies Group. On December 16, 2009, the Housing Commission recommended approval of the proposed Contract award.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1) and (8) because it involves design activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On January 16, 2008, the Housing Authority initiated an outreach to identify a consultant for energy efficiency improvements at Housing Authority sites. Requests for Statement of Qualifications were mailed to 52 engineering firms identified from the Housing Authority's vendor list. Advertisements also appeared in thirteen newspapers and on the County website.

On February 11, 2008, two Statements of Qualifications were received and formally reviewed by Housing Authority, Community Development Commission Construction Management Division, and Los Angeles County Internal Services Department staff. Facility Strategies Group was selected as the most qualified firm.

On September 2008, Facility Strategies Group began a comprehensive energy audit of several Housing Authority sites and analyzed utility bills to determine usage trends and benchmark performance. This contract was limited to the energy audit until the Housing Authority could secure funding to proceed with site improvements.

On September 29, 2009, the Housing Authority received \$5,924,000 in CFRC funds allocated by HUD to make the Nueva Maravilla housing development more energy efficient. The award of these funds will allow the Housing Authority to move forward with the proposed contract.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT

The proposed Contract will provide for engineering and energy efficiency consulting services at the Nueva Maravilla housing development. These improvements will serve to conserve energy, increase safety, and provide costs savings to the Housing Authority.

Respectfully submitted,


for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Request for Statements of Qualifications (RFSQ) for Energy Efficiency Consulting Services

This energy efficiency Contract with Facility Strategies Group will provide consulting services to include energy and sustainability planning, engineering, project management and development, commissioning, financial analysis, and other associated work

On January 16, 2008, the Housing Authority initiated an outreach to identify a consultant to complete the work at the subject property. Requests for Statement of Qualifications were mailed to 52 engineering firms identified from the Housing Authority's vendor list. Advertisements also appeared in thirteen newspapers and on the County website.

On February 11, 2008, two Statements of Qualifications were received and formally reviewed by the Housing Authority, the Construction Management Division, and the Los Angeles County Internal Services Department staff. Facility Strategies Group was selected as the most qualified firm to provide the necessary services for this Contract. The following outreach was initiated to identify a Consultant:

A. Newspaper Advertising

Announcements appeared in the following thirteen local newspapers:

Culver City Star	Montebello News
Southwest Wave	Los Angeles Sentinel
Los Angeles Independent	Los Angeles Times
Antelope Valley Press	The Daily News Los Angeles
La Opinion	Eastside Sun
International Daily News	Acton Agua Dulce Weekly News
Press Telegram	

The announcement of the RFSQ was also posted on the County website. Firms were asked to request the RFSQs via email directly through the County's website website or to obtain the RFSQ from the Commission/Housing Authority.

B. Distribution of RFSQs

The Commission's vendor list was utilized to mail out the RFSQ to 52 engineering firms, and four other firms that were identified by HUD as highly knowledgeable in HUD Energy Performance Contracting.

C. Pre-submittal conference

On January 29, 2008, a total of five firms attended a mandatory pre-submittal conference to address questions about the SOQ format, submittal requirements and scope of various projects.

D. Statements of Qualifications (SOQs)

On February 11, 2008, a total of two firms submitted SOQs, of which one identified itself as female or minority-owned.

E. Review of SOQs

On August 5, 2008, staff from the Housing Authority, the Community Development Commission Construction Management Division, and the Internal Services Department selected Facility Strategies Group as the most qualified firm to provide the necessary services for this Contract.

Facility Strategies Group was invited to submit a fee proposal for energy consulting services and entered into negotiations with the Housing Authority, resulting in the proposed Contract totaling an aggregate amount of \$300,000.

F. Participation of Minorities and Women – Selected Architect

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Facility Strategies Group	Non-Minority	Total: 5 1 minorities 1 women 20% minority 20% women

G. Participation of Minorities and Women - Firms Not Selected

MEDG Engineers	Minority	Total: N/A 0 minorities 0 women 0% minority 0% women
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The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and

mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of this Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Nueva Maravilla Energy Efficiency Implementation
Location: 4919 Cesar Chavez Avenue in Unincorporated East Los Angeles County
Consultant: Facility Strategies Group
Services: Energy Efficiency Consulting Services
Bid Number: CDC08-335
SOQ Deadline: February 11, 2008
Services: Facility Strategies Group will assist the Housing Authority in implementing the energy efficient measures and work items funded with a CFRC grant to revitalize the Nueva Maravilla Housing Development. The scope includes energy and sustainability planning, engineering, project management and development, commissioning, financial analysis, savings verification, and related support activities. Design work includes solar photovoltaic, solar thermal hot water, domestic hot water, appliances, lighting, landscaping and irrigation systems.

Contract Documents: Consulting Services Contract; Attachment A- Fee Schedule, Attachment B and B1-Scope of Services, Attachment C– Required Contract Forms, Attachment D– Required Contract Notices.

Time of Commencement and Completion: Services shall be performed upon receipt of a written Notice to Proceed from the Housing Authority. The Consultant will only perform the scope of work identified in the Notice to Proceed.

Contract Sum: The Housing Authority shall pay the Consultant for the performance of the Design Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Three Hundred Thousand Dollars and Zero Cents (\$300,000.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Contract.

Contract Contingency: \$30,000.00

ENGINEERING SERVICES CONTRACT

This Architectural Services Contract ("Contract") is made and entered into this ____ day of ____, ____, by and between the Housing Authority of the County of Los Angeles, hereinafter referred to as "Housing Authority", and Facility Strategies Group, hereinafter referred to as "Consultant."

RECITALS

1. PURPOSE

The Housing Authority and Consultant desire to enter into this Contract to enable the Consultant to provide engineering services to the Housing Authority upon the Authorities issuance of a notice to proceed ("Notice to Proceed") for the project defined below. The purpose of this Contract is to allow the Authority to retain the services of the Consultant to provide energy efficient services, and any other services required for the expansion, development and construction and/or rehabilitation of the Maravilla Energy Efficient Project at 4919 Cesar E. Chavez Avenue, Los Angeles, CA 90022.

TERMS AND CONDITIONS

2. TERM

This Contract shall commence as of the day and year first above written and shall remain in full force and effect for the duration of the Project, unless sooner terminated as provided herein.

3. CONSULTANT'S SERVICES

The specific scope of services ("Services") that Consultant will provide is set for in Attachment B, which is attached hereto and incorporated herein by this reference.

4. RESPONSIBILITIES OF THE HOUSING AUTHORITY

The Housing Authority shall provide all necessary information regarding its requirements as expeditiously as necessary for the orderly progress of the Services.

The Housing Authority shall designate the representative authorized to act in its behalf with respect to the Project. The Housing Authority or its representative shall examine documents submitted by the Consultant and shall promptly render decisions pertaining thereto to avoid unreasonable delay in the progress of the Consultant's Services.

The Housing Authority's designated representative authorized to act in its behalf with respect to the Project shall be:

Maria Badrakhan, Contracting Officer
Housing Management Division
The Housing Authority of the County of Los Angeles
2 Coral Circle
Los Angeles, CA 91755

The Housing Authority's representative shall examine documents submitted by the Consultant and shall render decisions pertaining thereto to avoid unreasonable delay in the progress of the Consultant's Services.

The Housing Authority shall provide the Consultant with any plans, publications, reports, statistics, records or other data or information pertinent to the Services to be provided hereunder which are reasonably available to the Housing Authority. However, their completeness and accuracy cannot be guaranteed. These drawings, plans, publications, reports, statistics, records or other data or information supplied by the Housing Authority are the proprietary and confidential property of the Housing Authority and cannot be transferred or used by the Consultant for any other purpose. The Consultant agrees to safeguard and return this property to the Housing Authority upon completion of the Project.

The Housing Authority shall also work with the Consultant to discover existing site conditions that may affect the order, progress, and cost of the work and Services.

The Housing Authority shall provide information on any previously obtained waivers of local codes, ordinances, or regulations or standards affecting the design of the Project.

5. NOTICE TO PROCEED; CONSULTANT'S TEAM

Consultant agrees to perform, in a timely and professional manner, all engineering and design services and any other services that Consultant is authorized to provide pursuant to this Contract. Upon issuance of the notice to proceed ("Notice to Proceed") to Consultant, Consultant shall commence providing the Services set forth in the Notice to Proceed. Each Notice to Proceed shall be incorporated by reference into this Contract. Consultant acknowledges, understands, and agrees that entering into this Contract is not a guarantee that the Housing Authority will issue a Notice to Proceed. Consultant further acknowledges, understands, and agrees that it is entirely possible that the Housing Authority never issues a Notice to Proceed and therefore the Consultant might not provide any Services pursuant to this Contract. The Consultant agrees that all Services performed by the Consultant will be the sole responsibility of the Consultant.

The Consultant's employees and subconsultants identified below are considered essential to the Services to be provided pursuant to this Contract. Prior to diverting or substituting any of the specified individuals, the Consultant shall provide Housing Authority with fifteen (15) days prior written notice and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on this Contract. The Consultant shall make no diversion or substitution of key personnel without the prior written consent of the Commission.

Employees:
Facility Strategies Group, Matt Pesce, P.E.

6. COMPENSATION

The Consultant shall be paid an amount not to exceed THREE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$300,000.00) in accordance with the Housing Authority's standard accounts payable system and as further set forth in Attachment A, which is attached hereto and incorporated herein by this reference. To ensure prompt payment, the Consultant must submit a monthly invoice on a form approved by the Housing Authority for services rendered, and this invoice must be approved by the Housing Authority.

There shall be no adjustments to compensation except as authorized in an amendment entered into between the parties pursuant to Section 46 of this Contract. The costs for all services performed by Consultant, that are outside of the scope of services of this Contract or any amendment, shall be borne solely by Consultant.

The Consultant shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Consultant after the expiration or other termination of this Contract. Should the Consultant receive any such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the Housing Authority for services rendered after expiration or termination of this Contract shall not constitute a waiver of the Housing Authority's right to recover such payment from Consultant. This provision shall survive the expiration or other termination of this Contract.

7. PAYMENT SCHEDULE

The Consultant shall submit invoices for compensation for each phase of the scope of Services, in a format approved by the Housing Authority, depicting a detailed, itemized list of actual work completed and total amount due, on a monthly basis. Said compensation shall be considered full and complete reimbursement for all of the Consultant's costs associated with the Services provided hereunder, including, but not limited to, all indirect costs, overhead, and insurance premiums.

Consultant shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Consultant after the expiration or other termination of this Contract. Should Consultant receive any such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the Housing Authority for services rendered after expiration or other termination of this Contract shall not constitute a waiver of the Housing Authority's right to recover such payment from Consultant.

8. SOURCE AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD), the Board of Commissioners of the County of Los Angeles and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The Housing Authority will endeavor to notify the Consultant in writing within ten (10) days of receipt of non-appropriation notice.

9. SUSPENSION AND TERMINATION

9.1 Suspension

Housing Authority, at its convenience, and without further liability except as herein specified, may suspend this Contract, in whole or in part, by written notice personally delivered to Consultant specifying the effective date and extent of the suspension. Consultant shall immediately discontinue all services unless otherwise indicated by Contracting Officer. Upon request of Contracting Officer, Consultant shall surrender within ten (10) days from receipt of said notice, all Documents (as defined in Section 16 below) other information relative to the Project, whether complete or in progress, as may have been accumulated by Consultant. If no Contract as to expenses and fees can be reached, this Contract may be terminated for the Housing Authority's convenience. In the event the entire Contract is suspended and the period of suspension exceeds one calendar year, this Contract may be deemed, at the Housing Authority's sole discretion, terminated for the convenience of Housing Authority upon written notice to the Consultant.

9.2 Termination for Convenience of the Housing Authority

The Housing Authority reserves the right to cancel this Contract in whole or in part for any reason at all upon ten (10) days' prior written notice to Consultant. In the event of such

termination, Consultant shall be entitled to a prorated portion paid for all satisfactory Services, unless such termination is made for cause, in which event, compensation if any, shall be adjusted, in Housing Authority's reasonable discretion, in such termination. In no case shall payment exceed that amount stipulated elsewhere herein for completion of the respective portion or phase of the Project.

Consultant shall surrender and deliver to the Contracting Officer, to the extent requested by Contracting Officer, within ten (10) days from receipt of said request all Documents and other information developed in the performance of this Contract, whether complete or in process, as may have been accumulated by Consultant.

Housing Authority may take over the Services, and prosecute the same to completion by contract or otherwise. Consultant shall not be liable to Housing Authority for any excess costs incurred by Housing Authority in completing the scope of Services of this Contract.

Consultant shall assign the contracts of its consultants and/or their subconsultants to Housing Authority, to the extent requested by the Contracting Officer.

9.3 Termination for Cause and / or Default

This Contract may be terminated by the Housing Authority upon ten (10) days' written notice to the Consultant for cause and/or default (failure to perform satisfactorily any of the Contract terms, conditions and work items) with no penalties incurred upon termination or upon the occurrence of any of the following events:

- A. Continuing failure of the Consultant to perform any Services in a timely and professional manner, or Consultant is not properly carrying out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Consultant; and should the Consultant neglect or refuse to provide a means for a satisfactory compliance with this Contract and with the direction of the Housing Authority within the time specified in such notices, the Housing Authority shall have the power to suspend and/or terminate the performance of this Contract by Consultant in whole or in part.
- B. Should the Consultant fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if Consultant abandons the Services for more than five (5) days, then notice of deficiency thereof in writing may be served upon Consultant by the Housing Authority. Should the Consultant fail to comply with the terms of this Agreement within five (5) days thereafter, upon receipt of said written notice of deficiency, the Executive Director of Housing Authority shall have the power to suspend and/or terminate the performance of this Contract by Consultant in whole or in part.
- C. Failure on the part of the Consultant to procure or maintain insurance required by this Contract shall constitute a material breach of this Contract upon which the Housing Authority may immediately terminate this Contract.
- D. In the event that a petition of bankruptcy shall be filed by or against the Consultant.

- E. If, through any cause, the Consultant shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Contract, the Housing Authority shall thereupon have the right to terminate this Contract by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, with respect to all finished or unfinished Documents prepared by the Consultant under this Contract, Consultant shall be entitled to receive just and equitable compensation for such that has been satisfactorily completed, subject to the Housing Authority's rights of recoupment, cut-off, and withholding.

9.4 Termination for Improper Consideration

Housing Authority may, by written notice to Consultant, immediately terminate the right of Consultant to proceed under this Contract if it is found that consideration, in any form, was offered or given by Consultant, either directly or through an intermediary, to any Housing Authority officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Consultant's performance pursuant to the Contract. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against Consultant as it could pursue in the event of termination for cause and / or default by the Consultant.

Consultant shall immediately report any attempt by a Housing Authority officer or employee to solicit such improper consideration. The Report shall be made to the Executive Director of the Housing Authority.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

10. ASSIGNMENT BY CONSULTANT

The Consultant shall not assign its rights or delegate its duties under this Contract, whether in whole or in part, without the prior written consent of the Housing Authority, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, Housing Authority consent shall require a written amendment to this Contract, which is formally approved and executed by the parties. Any payments by the Housing Authority to any approved delegate or assignee on any claim under this Contract shall be deductible, at the Housing Authority's sole discretion, against the claims, which the Consultant may have against the Housing Authority. However, the Housing Authority reserves the right to assign this Contract to another public agency without the consent of the Consultant.

Shareholders, partners, members, or other equity holders of the Consultant may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of the Consultant to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Contract, such disposition is an assignment requiring the prior written consent of the Housing Authority in accordance with applicable provisions of this Contract.

Any assumption, assignment, delegation, or takeover of any of the Consultant's duties, responsibilities, obligations, or performance of same by any entity other than the Consultant, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the Housing Authority's express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Consultant as it could pursue in the event of default by the Consultant.

11. CONFIDENTIALITY OF REPORTS

The Consultant shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority.

12. SUBCONTRACTING

The Consultant may subcontract only those specific portions of the Services allowed in the original specifications covered by this Contract. The Consultant shall not subcontract any part of the Services covered by this Contract or permit subcontracted services to be further subcontracted without prior written approval by the Housing Authority.

13. INSURANCE

Without limiting Consultant's indemnifications of the Housing Authority provided in Section 14 below, Consultant shall procure and maintain, at Consultant's sole expense for the duration of this Contract, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be approved by the California Department of Insurance and must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a

minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Consultant shall, concurrent with the execution of this Contract, deliver to the Housing Authority certificates of insurance with original endorsements evidencing the insurance coverage required by this Contract. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Contract, but no later than thirty (30) days following execution of this Contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Housing Authority reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Housing Authority and may provide for such deductibles as may be acceptable to the Housing Authority. Any self-insurance program and self-insured retention must be separately approved by the Housing Authority. In the event such insurance does provide for deductibles or self-insurance, Consultant agrees that it will defend, indemnify and hold harmless the Housing Authority, its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each such certificate shall stipulate that the Housing Authority be given at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Consultant shall give the Housing Authority immediate notice of any insurance claim or loss which may be covered by insurance. Consultant represents and warrants that the insurance coverage required herein will also be provided by any entities with which Consultant contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier: Maravilla Electrical Conversion, 4914 Cesar E. Chavez Avenue, Los Angeles, CA 90022.

The insurance policies set forth herein shall be primary insurance with respect to the Housing Authority. The aforementioned insurance policies shall contain a waiver of subrogation for the benefit of the Housing Authority. Failure on the part of Consultant, and/or any entities with which Consultant contracts, to procure or maintain the insurance coverage required in this Section may, upon the Housing Authority's sole discretion, constitute a material breach of this Contract pursuant to which the Housing Authority may immediately terminate this Contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Housing Authority, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Housing Authority shall be immediately repaid by the Consultant to the Housing Authority upon demand including interest thereon at the default rate. In the event of such a breach, the Housing Authority shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Consultant's failure to assert or delay in asserting any claim shall not diminish or impair the Housing Authority's rights against the Consultant or the insurance carrier.

When Consultant is naming the Housing Authority as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 10 01. When any entity with which Consultant is contracting, is naming the Housing Authority as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85.

Any failure to maintain the insurance required herein, may be deemed, at the sole discretion of Housing Authority, a material breach of this Contract.

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 20 10 85 or its equivalent) including coverage for personal injury, death, property damage and contractual liability with limits of not less than the following:

General Aggregate	\$2,000,000
Products/ Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The v, the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County") (hereinafter collectively referred to as the "Public Agencies"), and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Agents") shall be covered as additional insureds on such policy.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto." The Public Agencies and their Agents, shall be covered as additional insureds on such policy.

D. PROFESSIONAL LIABILITY INSURANCE, including coverage for personal injury, death, property damage, and contractual liability in an amount not less than One Million

Dollars (\$1,000,000) for each occurrence (Two Million Dollars (\$2,000,000) general aggregate). Said insurance shall be maintained for the statutory period during which the professional maybe exposed to liability. Consultant shall require that the aforementioned professional liability insurance coverage language also be incorporated into its contract with any other entity with which it contracts for professional services.

Consultant agrees that it will require all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Contract, the Services, or in relation to the property or Project that is the subject of this Contract.

14. INDEMNIFICATION

The Consultant agrees to indemnify, defend and hold harmless the Public Agencies and their Agents from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney's fees and costs and expert witness fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant. Such indemnification language, in favor of the Public Agencies and their Agents, shall also be incorporated in Consultant's contracts with any and all entities, which are providing professional services, with which it contracts. These indemnification provisions shall remain in full force and effect and survive the termination and/or expiration of this Contract. Consultant agrees to require any and all entities with which it contracts to agree to and abide by the above mentioned indemnification requirements in favor of the Public Agencies and their Agents, as applicable to each of them.

15. HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority or its agent will evaluate Consultant's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Consultant's compliance with all Contract terms and performance standards. Consultant deficiencies, which Housing Authority determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Housing Authority and Consultant. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Contract, pursuant to Section 9.3, or impose other remedies as specified in this Contract.

A performance review will be conducted no later than ninety (90) days prior to the end of the first and second years of this Contract to evaluate the performance of the Consultant. Based on the assessment of the performance review, as determined by the Housing Authority in its sole discretion, written notification will be given to the Consultant whether this Contract will be terminated at the end of the current year or will be continued into the next Contract year.

16. HOUSING AUTHORITY OWNERSHIP OF DOCUMENTS

All drawings, designs, plans, specifications, notes, data, reports, estimates, summaries and other documents (hereinafter collectively referred to as "Documents") prepared and furnished by the Consultant in relation to this Contract shall become the property of the Housing Authority upon the Housing Authority's written approval of the Documents or upon the prior termination of the Consultant's Services hereunder, and the Consultant shall have no claim of any kind, including without limitation, for further employment or additional compensation as a result of exercise by the Housing Authority of its full rights of ownership and use of the Documents. The Consultant shall retain a record copy for its own files.

17. INDEPENDENT CONSULTANT

The Consultant shall perform the Services as an independent consultant and shall not be considered an employee of the Housing Authority or under Housing Authority supervision or control. This Contract is by and between the Consultant and the Housing Authority, and is not intended, and shall not be construed, to create the relationship of agent, employee, or joint venture, between the Housing Authority and the Consultant.

The Consultant agrees that any claims, liability, damage, or lawsuits resulting from its negligence, including items that are not in compliance with federal, state, or local codes, regulations and laws, will be the sole responsibility of the Consultant.

If the Consultant is comprised of more than one legal entity, each such entity shall be jointly and severally liable and responsible hereunder.

18. EMPLOYEES OF CONSULTANT

Workers' Compensation: Consultant understands and agrees that all persons furnishing services to the Housing Authority pursuant to this Contract are, for the purpose of workers' compensation liability, employees solely of Consultant. Consultant shall bear sole responsibility and liability for providing workers' compensation benefits to any person for injury arising from an accident connected with services provided to the Housing Authority under this Contract.

Professional Conduct: The Housing Authority does not and will not condone any act, gestures, comments or conduct from the Consultant's employees, agents or subconsultants which may be construed as sexual harassment or any other type of activity or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Consultant's employees, agents or subconsultants providing services for the Housing Authority. The Consultant assumes all liability for the actions of the Consultant's

employees, agents or subconsultants and is responsible for taking appropriate action after the Consultant receives reports of harassment.

19. CONSULTANT'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

The Consultant acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through a contract, are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by the Housing Authority Child Support Compliance Program and without limiting Consultant's duty under this Contract to comply with all applicable provisions of law, Consultant warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

20. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Consultant to maintain compliance with the requirements set forth in Paragraph 19, "*CONSULTANT'S WARRANTY OF ADHERENCE TO Housing Authority's CHILD SUPPORT COMPLIANCE PROGRAM*" shall constitute default under this Contract. Without limiting the rights and remedies available to Housing Authority under any other provision of this Contract, failure of Consultant to cure such default within ninety (90) calendar days of written notice shall be grounds upon which Housing Authority may terminate this Contract pursuant to Paragraph 9.3 - and pursue debarment of Consultant, pursuant to Housing Authority Policy.

21. POST MOST WANTED DELINQUENT PARENTS LIST

The Consultant acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Consultant understands that it is County's and Housing Authority's policy to strongly encourage all Consultants to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Consultant's place of business. The Child Support Services Department (CSSD) will supply Consultant with the poster to be used.

22. INDEPENDENT CONTRACTOR

This Contract does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Housing Authority and the Consultant. The Consultant's relationship to the Housing Authority is solely as an independent contractor.

23. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

The Consultant certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990.

24. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Consultant shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Consultant shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Contract.

25. COMPLIANCE WITH LAWS

The Consultant agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract, including but not limited to, the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation under this Contract is in excess of \$100,000 then Consultant shall comply with applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 18579h), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Consultant must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973

No person in the United States shall be excluded from participating in, be denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

Section 109 of the Housing and Community Development Act of 1974

No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination

under any program or activity funded in whole or in part with funds made available under this title.

During the performance of the Contract, the Consultant agrees to comply with the following federal provisions:

Civil Rights Act of 1964, Title VI (Non-Discrimination in Federally-Assisted Programs)

The Consultant shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973

The Consultant shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

Executive Order 11246 and 11375, Equal Opportunity in Employment (non-discrimination in Employment by Government Consultants and Subconsultants)

The Consultant shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Consultant will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Consultant's commitments under Section 202 of Executive Order No.

11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Consultant will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Consultant will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Consultant's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Consultant will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Consultant becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Housing Authority, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

Section 3 of the Housing and Urban Development Act of 1968, as Amended (if applicable)

The work to be performed under this Contract will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties

to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

The Consultant agrees to send to each labor organization or representative of workers with which the Consultant has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Consultant's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Consultant agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Consultant will not subcontract with any subcontractor where the Consultant has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

The Consultant will certify that any vacant employment positions, including training positions, that are filled (1) after the Consultant is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Consultant's obligations under 24 CFR Part 135.

Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

26. FEDERAL LOBBYIST REQUIREMENTS

The Consultant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

The Consultant must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Consultant will comply with the Lobbyist Requirements.

Failure on the part of the Consultant or persons/subcontractors acting on behalf of the Consultant to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

27. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Consultant shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

28. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Consultant agrees to use recycled-content paper to the maximum extent possible on the Project.

29. CONSULTANT RESPONSIBILITY AND DEBARMENT

- A.** A responsible Consultant is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Commission, Housing Authority, and County to conduct business only with responsible Consultants.
- B.** The Consultant is hereby notified that if the Housing Authority acquires information concerning the performance of the Consultant on this or other contracts which indicates that the Consultant is not responsible, the Housing Authority may, in addition to other remedies provided in this Contract, debar the Consultant from bidding or proposing on, or being awarded, and/or performing work on Housing Authority contracts for a specified period of time, which generally will not to exceed five years, but may exceed

five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the Consultant may have with the Housing Authority.

- C. The Housing Authority may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the Consultant, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission, Housing Authority, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Housing Authority, County, or any other public entity.
- D. If there is evidence that the Consultant may be subject to debarment, the Housing Authority will notify the Consultant in writing of the evidence, which is the basis for the proposed debarment and will advise the Consultant of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Consultant and/or the Consultant's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Consultant should be debarred, and, if so, the appropriate length of time of the debarment. The Consultant and the Housing Authority shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Consultant has been debarred for a period longer than five years, that Consultant may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Consultant has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3)

material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Housing Authority.

- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Consultant has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- I. These terms shall also apply to subcontractors and subconsultants of County, Commission, or Housing Authority contractors, consultants, vendors and operating agencies.

30. COMPLIANCE WITH JURY SERVICE PROGRAM

Unless the Consultant has demonstrated to the Housing Authority satisfaction either that Consultant is not a "Contractor" as defined under the Jury Service Program or that Consultant qualifies for an exception to the Jury Service Program, Consultant shall have and adhere to a written policy that provides that its Employees shall receive from the Consultant, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Consultant or that the Consultant deduct from the Employee's regular pay the fees received for jury service.

For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a

recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Consultant uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Contract and a copy of the Jury Service Program shall be attached to the Contract.

If the Consultant is not required to comply with the Jury Service Program when the Contract commences, Consultant shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Consultant shall immediately notify County if Consultant at any time either comes within the Jury Service Program's definition of "Contractor" or if Consultant no longer qualifies for an exception to the Program. In either event, Consultant shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Consultant demonstrate to the County's satisfaction that Consultant either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Consultant continues to qualify for an exception to the Program.

The Consultant's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Consultant from the award of future County contracts for a period of time consistent with the seriousness of the breach.

31. ACCESS AND RETENTION OF RECORDS

The Consultant shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Consultant which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

The Consultant is required to retain the aforementioned records for a period of five years after the Housing Authority pays final payment and other pending matters are closed under this Contract.

32. CONFLICT OF INTEREST

The Consultant represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded

companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Housing Authority. Upon execution of this Contract and during its term, as appropriate, the Consultant shall, disclose in writing to the Housing Authority any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Housing Authority's interest and the interests of the third parties.

33. SEVERABILITY

In the event that any provision herein is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

34. INTERPRETATION

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if drafted by both parties hereto.

35. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision of this Contract shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

Neither the Housing Authority's review, approval or acceptance of, nor payment for, the Services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Consultant shall be and remain liable to the Housing Authority in accordance with applicable law for all damages to the Housing Authority caused by the Consultant's negligent performance of any of the services furnished under this Contract.

36. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of, or under this Contract.

37. COPYRIGHT

No Documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Consultant. All Documents become the

property of the Housing Authority and the Housing Authority holds all the rights to said Documents. The Consultant assumes no responsibility for the use of Documents in whole or in part in connection with Services that is outside the scope of this Contract.

38. NOTICES

The Housing Authority shall provide the Consultant with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that Housing Authority has actual knowledge of such injury or damage. Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

The Consultant shall provide the Housing Authority with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that Consultant has actual knowledge of such injury or damage. Consultant shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Housing Authority:

Maria Badrakhan, Contracting Officer
Housing Management Division
The Housing Authority of the County of Los Angeles
2 Coral Circle
Los Angeles, CA 91755

The Consultant: Matt Pesce
Facility Strategies Group
2222 Gold Hill Road Suite 5
Fort Mill, SC 29708

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Consultant and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

39. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Consultant shall notify and provide to its employees, and shall require each subconsultant to notify and provide to its employees, a fact sheet regarding the Safely

Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in *Attachment D – Required Contract Notices* of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

40. CONSULTANT'S ACKNOWLEDGMENT OF HOUSING AUTHORITY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Consultant acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Consultant understands that it is the Housing Authority's policy to encourage all Housing Authority Consultants to voluntarily post the Housing Authority's "Safely Surrendered Baby Law" poster in a prominent position at the Consultant's place of business. The Consultant will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Consultant with the poster to be used.

41. CONSULTANT'S CHARITABLE CONTRIBUTIONS COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Consultants to complete the Charitable Contributions Certification as included in *Attachment C – Required Contract Forms*, the Housing Authority seeks to ensure that all Commission Consultants that receive or raise charitable contributions comply with California law in order to protect the Housing Authority and its taxpayers. A Consultant that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

42. REMEDIES

The rights and remedies of the Housing Authority provided for under this Contract are in addition to any other rights and remedies provided at law or in equity. Housing Authority may assert, either during or after performance of this Contract any right of recovery it may have against Consultant by any means it deems appropriate including, but not limited to, set-off, action at law, withholding, recoupment, or counterclaim.

43. RELEASE OF NEWS INFORMATION

No news releases, including photographs, public announcements or confirmation of same, of any part of the subject matter of this Contract or any phase of any program hereunder shall

be made without prior written approval of the Housing Authority's Executive Director or designee.

44. CERTIFICATION REGARDING LOBBYING

Consultant is prohibited by the Department of the Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of the Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal agreement, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification of said documents.

The Consultant must certify in writing that it is familiar with the Federal Lobbyist Requirements and that all persons and/or subconsultants acting on behalf of the Consultant will comply with the Lobbyist Requirements. The signed County and Federal Lobbyist Certifications submitted with the Contract are incorporated herein.

Failure on the part of the Consultant or persons/subconsultants acting on behalf of the Consultant to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

45. CONTRACT EVALUATION AND REVIEW

The ongoing assessment and monitoring of this Contract is the responsibility of the Housing Authority's Contracting Officer or designee.

46. AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The Consultant acknowledges to and for the benefit of the Housing Authority of the County of Los Angeles and HUD that it understands the goods and services under this Contract are being funded with monies made available by the American Reinvestment and Recovery Act of 2009 (Recovery Act) (or are being made available for a project being funded with monies made available by the Recovery Act) and section 1605 of such law contains provisions commonly known as "Buy American." The Buy American requirement prohibits the use of Recovery Act funds on any project for the construction, alteration, maintenance, or repair of a public building or work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States ("Buy American Requirement") including iron, steel, and manufactured goods provided by the Consultant pursuant to this Contract.

The Consultant hereby represents and warrants to and for the benefit of the PHA and HUD that (a) the Consultant has reviewed and understands the Buy American Requirement, (b) all of the iron, steel, and manufactured goods used in the project will be and/or have been produced in the United States in a manner that complies with the Buy American Requirement, unless an exception of the requirement is approved, and (c) the Consultant will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support an exception of the Buy American Requirement, as may be requested by the PHA or HUD.

Notwithstanding any other provision of this Contract, any failure to comply with this paragraph by the Consultant shall permit the PHA to recover as damages against the Consultant any loss, expense or cost (including without limitation attorney's fees) incurred by the PHA resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part from HUD). Neither this paragraph (nor any provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of HUD.

47. ENTIRE CONTRACT

This Contract plus Attachments, which are incorporated herein by reference, and any Notices to Proceed subsequently issued pursuant to this Contract, constitute the entire understanding and agreement of the parties. This Contract supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the retention of the Consultant by the Housing Authority and contains all the covenants and agreements between the parties with respect to such retention.

Any modifications or amendments to this Contract shall be invalid and of no force and effect, unless such is in writing and signed by all parties hereto. This Contract includes the following attachments:

- A. Fee Schedule
- B. Statement of Work
- C. Required Contract Forms
- D. Required Contract Notices

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IN WITNESS WHEREOF, the parties hereto have executed this Construction Contract on the date and year first written above.

OWNER

HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES, A BODY
CORPORATE AND POLITIC

CONTRACTOR

FACILITY STRATEGIES GROUP

By: _____

SEAN ROGAN

Title: EXECUTIVE DIRECTOR

Date: _____

APPROVED AS TO PROGRAM:

MARIA BADRAKHAN

Title: CONTRACTING OFFICER

Date: _____

APPROVED AS TO FORM
Office of County Counsel,
ROBERT E. KALUNIAIN

BUSINESS ADDRESS

2222 Gold Hill Road Suite 5

Fort Mills, SC 29708

Telephone: 803-548-3905

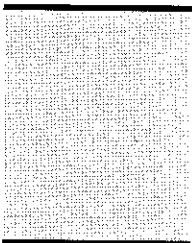
Fax: 803-370-4335

By: _____

Deputy

CORPORATE SEAL

Required Signatures:



If sole proprietor, one signature of sole proprietor.

If partnership, the signature of at least one general partner authorized to sign contracts on behalf of the partnership.

If Corporation, the signatures of those officers required to sign contracts on behalf of the Corporation, and the Corporate Seal.

ATTACHMENT A

FEE SCHEDULE

ATTACHMENT A **FEE SCHEDULE FOR ENGINEERING SERVICES**

Facility Strategies Group (the Consultant) shall be paid as full compensation for the work required, performed, and accepted under this Agreement, inclusive of all costs and expenses, the maximum, not-to-exceed price of \$300,000.00.

Payment for Consultant fee shall be made based on the phases and amounts specified below. These amounts include the cost of all services including those of the subconsultants in this Contract over a 12 month period.

Engineering Design/Specification (70%)	\$210,000.00
Energy Performance Contract Project Development (0%)	\$0.00
Project Management/Commissioning/M&V/Other HUD and Housing Authority Sustainability Related Tasks (30%)	\$90,000.00

	Hours	Design/Spec	EPC	PM/Cx/M&V	Total Cost
Principal Engineer	960	\$ 90,720	\$ -	\$ 38,880	\$ 129,600
Senior Engineer	240	\$ 19,320	\$ -	\$ 8,280	\$ 27,600
Engineer	1,440	\$ 80,640	\$ -	\$ 34,560	\$ 115,200
Subtotal	2,640	\$ 190,680	\$ -	\$ 81,720	\$ 272,400
Travel		\$ 19,320	\$ -	\$ 8,280	\$ 27,600
Total Cost		\$ 210,000	\$ -	\$ 90,000	\$ 300,000

In addition, allowance for other required services, subject to Commission review and approval, shall be charged at an hourly rate based on the following rates below. However, these rates must be negotiated and agreed to prior to commencing extra services that are not part of the original contract.

Principal Engineer:	\$135.00 per hour
Senior Engineer:	\$115.00 per hour
Staff Engineer/Manager:	\$80.00 per hour

Additionally, any agreement, amendment or combination of amendments that might result in a total adjusted Agreement sum of One Hundred Thousand Dollars (\$100,000) or above beyond the authorized contingency amount must first be approved by the Board of Commissioners of the Commission.

ATTACHMENT B & B1

SCOPE OF SERVICES

ATTACHMENT B SCOPE OF SERVICES

1.0 STATEMENT OF WORK

The Community Development Commission (Commission)/Housing Authority of the County of Los Angeles (Housing Authority) is the County's affordable housing and community development agency. The Commission and the Housing Authority help strengthen neighborhoods, empower families, support local economies, and promote individual achievement. The Commission and the Housing Authority maintain many administrative buildings and 72 housing developments that include over 3,600 residential units within the County of Los Angeles.

The Housing Authority is seeking a Consultant to provide Architectural and Engineering services and to perform some and/or all of the following the items listed below as required.

2.0 GENERAL REQUIREMENTS

The Consultant shall perform all architectural and engineering design work as described in Section 3.0 and other services related to or required for the performance of this Contract such as, but not limited to, the items listed below:

- 2.1** Prepare a detailed project schedule showing how the Consultant will meet the Housing Authority's target deadlines with respect to tasks identified in Section 3.0 below.
- 2.2** Provide any other consulting, engineering required to complete the design and construction of the project.
- 2.3** Provide for the Specific Work Requirements identified in 3.0 below.

3.0 SPECIFIC WORK REQUIREMENTS

The Consultant will assist HACoLA to revitalize its Maravilla property including energy and sustainability planning, engineering, project management and development, commissioning, financial analysis, and related support activities. The project will utilize a combination of funds including HUD CFRC grant funds, Maravilla Foundation funds, energy efficiency and renewable energy rebates, and performance contracting funds.

Anticipated work includes lighting, appliances, water, domestic hot water, solar photovoltaics, solar thermal hot water, and xeriscaping. FSG will take a primary engineering and project development role in all energy, renewable, and sustainability retrofits and a consulting engineering role in the electrical metering and irrigation system.

Activities will include:

Energy Performance Contract Project Development: Investment Grade Analysis, Preliminary, and Final Energy Project Plans. Starting with data and analysis completed under earlier opportunity assessments, Consultant will complete an investment grade analysis and detailed inspections to evaluate and quantify energy efficiency, green/healthy and renewable technology opportunities and enable financial leverage projections. Methods will include measurements of energy use, specific end uses, and utility bill analysis.

As required by HUD regulations, a preliminary project plan will be submitted to present the types of measures, project opportunity (e.g., size and scope), financial approach, and incentive mix that will be used in the project. It also provides details on the authority's capability and capacity to manage a project in-house, how the authority will structure its team, and what types of quality control processes are used.

Next, the Consultant will develop a final project plan for HUD submittal including finalizing any agency processes and procedures, final commissioning and M&V plans, preparing the final financial plan, pro forma & life cycle cost analyses, and preparing final measure pricing and costs. Consultant will prepare any necessary baseline adjustments, utility rate escalation; and coordinate project with other redevelopment work.

Engineering Design and Specification. The Consultant will provide detailed engineering specifications, design, and related support as required to support bid document preparation, permitting, and building and energy code compliance. Consultant will prepare or support the preparation of construction documents, drawings, and other related materials as necessary. Consultant will review specifications and drawings prepared by outside engineers and architects as required and identify potential improvements that could lower construction cost and/or improve design, reduce maintenance, increase efficiency and sustainability.

For design performed by the Consultant, drawings will be submitted at various design phases to the Agency for review and comment. Consultant shall submit all required drawings, specifications, calculations, and documents for plan check to all authorities having jurisdiction over the project including but not limited to Building and Safety, Fire Department, Grading and Drainage Division, and local Planning departments. Consultant will make any and all corrections or changes required by jurisdictions. Consultant shall re-submit drawings and specifications until receiving approval from all authorities having jurisdiction.

Project Management, Commissioning, Savings Verification and Other HUD Requirements. Consultant will provide project management support including participating in contractor selection, change order review, and related project oversight. Consultant will provide engineering commissioning and reporting during the construction process to ensure work is completed and performs per engineering specification and design intent. Consultant will participate in final inspections by property and facilitate correction where required.

Consultant will provide savings verification using consensus engineering methods defined the International Performance Measurement & Verification Protocol and ASHRAE Guideline 14 – “Measurement of Energy and Demand Savings” to assess whether the project has met projected project savings. Consultant will develop M&V plans and procedures and provide both construction period and repayment period verification activities.

Consultant will prepare a green operations & maintenance plan, certifications, tracking, and other CFRC grant requirements established by HUD.

Consultant will also assist with other tasks and support as requested by HACoLA including:

- Sustainability strategic planning and implementation
- Energy efficiency, renewable energy, and sustainability assessments for public and non-public housing properties
- Energy finance project development for public and non-public housing properties
- Engineering, studies, project management, and commissioning support
- Training support for energy efficiency & green building fundamentals and related topics for staff and residents

3.1 BIDDING PHASE

- 3.1.1** The Consultant shall assist the with preparation of bid packages.
- 3.1.2** The Consultant shall attend Pre-bid walk through and answer any questions.
- 3.1.3** The Consultant shall issue addenda, as needed. Prepare responses and answers to questions raised by bidders.
- 3.1.4** The Consultant shall review bids, review and make a determination on all proposed equals (substitutions), and make on recommendation on bids.

3.2 CONSTRUCTION OBSERVATION PHASE

- 3.2.1** The Consultant shall review contractors' change order requests and determine eligibility and reasonableness of items and cost; counter-sign change orders.
- 3.2.2** The Consultant shall conduct periodic observations and provide approval certifications for the work observed as part of the Commissioning scope of work.
- 3.2.3** Document, through issuance of regular, periodic reports, construction activities including all noted and corrected deficiencies observed.

3.2.4 The Consultant shall trouble-shoot and submit written solutions to resolve construction defects and disputes.

3.3 Standard of Care

The Consultant shall represent, covenant, and agreed to all of the services to be furnished by the Consultant under or pursuant to this Contract, from the inception of this Contract until the Project has been fully completed, shall be of a standard and quality that prevails among highly qualified and competent engineers engaged in engineering practice in the Southern California area under the same or similar circumstances involving the design and construction of a project having characteristics that are similar to the Project (including without limitation, public nature, comparable scope, quality and schedule ["Professional Standard"]).

Consultant shall accept the special relationship of trust and confidence established between it and Housing Authority by this Contract.

The Consultant shall covenant to design the Project and produce the necessary Construction Documents, and to further the interests of Housing Authority in accordance with Housing Authority's requirements and procedures, in accordance with the Professional Standard and in compliance with all applicable restrictions, laws, codes, and regulations in effect throughout the period that Consultant is performing services under this Contract.

The Consultant shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Consultant under this contract.

The Consultant shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services that do not meet the Professional Standard.

ATTACHMENT C

**REQUIRED CONTRACT
FORMS**

(Include Required Contract Forms from RFSQ/SOQ)

ATTACHMENT D

**REQUIRED CONTRACT
NOTICES**

BACKGROUND AND RESOURCES: CALIFORNIA CHARITIES REGULATION

There is a keen public interest in preventing misuse of charitable contributions. California's "Supervision of Trustees and Fundraisers for Charitable Purposes Act" regulates those raising and receiving charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) tightened Charitable Purposes Act requirements for charitable organization administration and fundraising.

The Charitable Purposes Act rules cover California public benefit corporations, unincorporated associations, and trustee entities. They may include similar foreign corporations doing business or holding property in California. Generally, an organization is subject to the registration and reporting requirements of the Charitable Purposes Act if it is a California nonprofit public benefit corporation or is tax exempt under Internal Revenue Code § 501(c)(3), and not exempt from reporting under Government Code § 12583. Most educational institutions, hospitals, cemeteries, and religious organizations are exempt from Supervision of Trustees Act requirements.

Key new Charitable Purposes Act requirements affect executive compensation, fundraising practices and documentation. Charities with over \$2 million of revenues (excluding grants and service-contract funds a governmental entity requires to be accounted for) have new audit requirements. Charities required to have audits must also establish an audit committee whose members have no material financial interest in any entity doing business with the charity.

Organizations or persons that receive or raise charitable contributions are likely to be subject to the Charitable Purposes Act. A bidder/proposer on Commission and/or Housing Authority contracts must determine if it is subject to the Charitable Purposes Act and certify either that:

- It is not presently subject to the Act, but will comply if later activities make it subject, or,
- If subject, it is currently in compliance.

RESOURCES

The following resource references are offered to assist bidders/proposers who engage in charitable contributions activities, however, each bidder/proposer is responsible to research and determine its own legal obligations and properly complete the Charitable Contributions Certification form.

In California, supervision of charities is the responsibility of the Attorney General, whose website, <http://caag.state.ca.us/>, contains much information helpful to regulated charitable organizations.

1. LAWS AFFECTING NONPROFITS

The "Supervision of Trustees and Fundraisers for Charitable Purposes Act" is found at California Government Code §§ 12580 through 12599.7. Implementing regulations are found at Title 11, California Code of Regulations, §§ 300 through 312. In California, charitable solicitations ("advertising") are governed by Business & Professions Code §§ 17510 through 17510.95. Regulation of nonprofit corporations is found at Title 11, California Code of Regulations, §§ 999.1 through 999.5. (Amended regulations are pending.) Links to all of these rules are at: <http://caag.state.ca.us/charities/statutes.htm>.

2. SUPPORT FOR NONPROFIT ORGANIZATIONS

Several organizations offer both complimentary and fee-based assistance to nonprofits, including in Los Angeles, the *Center for Nonprofit Management*, 606 S. Olive St #2450, Los Angeles, CA 90014 (213) 623-7080 <http://www.cnmsocal.org/>, and statewide, the *California Association of Nonprofits*, <http://www.canonprofits.org/>. Both organizations' websites offer information about how to establish and manage a charitable organization.

The above information, including the organizations listed, is for informational purposes only. Nothing contained in this sub-section shall be construed as an endorsement by the Commission of such organizations.



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2004)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

What's New. Workers cannot claim the EIC if their 2004 investment income (such as interest and dividends) is over \$2,650.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2004 are less than \$35,458 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2005.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS website at www.irs.gov.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2004 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2004 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2004 and owes no tax but is eligible for a credit of \$791, he or she must file a 2004 tax return to get the \$791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2005 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Notice 1015

(Rev. 12-2004)

No shame. No blame. No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



**In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafe1a.org**



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors

Gloria Molina, Supervisor, First District
Yvonne Bratton Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Wonne Bradwalte Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.